

SENATE BILL No. 223

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 35-52-6-3.

Synopsis: Property tax assessment. Provides, with limited exceptions, that: (1) the only factor permitted to be used in changing the assessed value of most real property from year to year is the annual adjustment factor; and (2) an assessing official may not change the real property's underlying parcel characteristics (including age, grade, or condition of the real property) until the real property has been reassessed under the county's reassessment plan, there is a change in an objective factor or feature relating to a property, or there is a need to correct an error. Provides a process that must be followed by an assessing official who wishes to apply an exception. Provides that the department of local government finance (DLGF) may impose a penalty on an assessing official who fails to follow the process or when the county property tax assessment board of appeals (PTABOA) finds that a request to apply an exception is not supported by the facts or a legal opinion. Creates the DLGF assessment supervision fund to receive penalty revenue. Changes the standards for the crime for an assessing official or the DLGF who: (1) assesses any property at more or less than the proper assessed value to include intentionally or recklessly assessing; (2) fails to perform any of the duties under the general assessment provisions to include an intentional or reckless failure; and (3) violates any of the other general assessment provisions to include a knowing or intentional violation. Permits a property owner of record to appeal a property tax assessment at any time before July 1 of the year after the assessment date. Permits a taxpayer to name an attorney in fact who may take the place of the taxpayer under the property tax laws, including appeals.
(Continued next page)

Effective: May 1, 2016; July 1, 2016.

Eckerty

January 6, 2016, read first time and referred to Committee on Appropriations.



Digest Continued

Requires an assessing official to schedule a preliminary conference within normal business hours and reschedule the conference to a time convenient to the taxpayer upon request. Requires evidence in a property tax appeal to be submitted at least 10 days before the PTABOA hearing. Requires an assessing official to show cause to the DLGF before a taxpayer may be required by the assessing official to post a bond or provide other security regarding a contested assessment. Allows a taxpayer alone to stipulate to an assessed value determined by an Indiana registered appraiser. Provides that the office of the assessing official and taxpayer each pay 50% of the appraisal costs. Specifies deadlines for the PTABOA to make decisions. Makes conforming changes.



Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 223

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-4-4.4, AS AMENDED BY P.L.245-2015,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 MAY 1, 2016]: Sec. 4.4. (a) This section applies to an assessment
4 under section 4.2 or 4.5 of this chapter or ~~another~~ **any other** law.
5 **(b) This section does not prohibit a change in an assessment:**
6 **(1) that is directly applicable to any change in an objective**
7 **factor or feature relating to a property, including an**
8 **improvement or enlargement of the property; or**
9 **(2) that results from the correction of an error or omission,**
10 **including the correction of a mathematical error.**
11 **(c) An assessing official may not change the real property's**
12 **underlying parcel characteristics, including age, grade, or**
13 **condition of the real property, until the real property has been**
14 **reassessed under the county's reassessment plan under section 4.2**
15 **of this chapter. If the ~~assessor~~ assessing official changes the**



underlying parcel characteristics, including age, grade, or condition, of a property, from the previous year's assessment date, the ~~assessor~~ **assessing official** shall document:

- (1) each change; and
- (2) the reason that each change was made.

In any appeal of the assessment, the ~~assessor~~ **assessing official** has the burden of proving that each change was valid.

SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: Sec. 4.5. (a) The department ~~of local government finance~~ shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a reassessment under section ~~4~~ **or** 4.2 of this chapter for the property last took effect.

(b) Subject to subsection (e) **and section 4.8 of this chapter**, the system must be applied to adjust assessed values ~~beginning with the 2006 assessment date and each year thereafter~~ that is not a year in which a reassessment under section ~~4~~ **or** 4.2 of this chapter for the property becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

- (1) Promote uniform and equal assessment of real property within and across classifications.
- (2) Require that assessing officials:
 - (A) reevaluate the factors that affect value;
 - (B) express the interactions of those factors mathematically;
 - (C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and
 - (D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.
- (3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department ~~of local government finance~~ must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (c) for current property taxes, ~~first due and payable in 2011 and thereafter~~, the department ~~of local government finance~~ shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department



shall adjust the methodology to:

- (1) use a six (6) year rolling average adjusted under subdivision
- (2) instead of a four (4) year rolling average; and
- (2) eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

(f) ~~For assessment dates after December 31, 2009,~~ An adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

SECTION 3. IC 6-1.1-4-4.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: **Sec. 4.8. (a) This section does not apply to real property that is valued using the income capitalization approach.**

(b) This section does not prohibit a change in an assessment:

- (1) that is directly applicable to any change in an objective factor or feature relating to a property, including an improvement or enlargement of the property; or**
- (2) that results from the correction of an error or omission, including the correction of a mathematical error.**

(c) Except as provided in subsection (b), to determine the assessed value of the real property, the annual adjustment under section 4.5 of this chapter must be the only factor applied to the assessed value of the real property for the prior tax year. The assessment to be used for the prior tax year is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year:

- (1) as last corrected by an assessing official;**
- (2) as stipulated or settled by the taxpayer and the assessing official; or**
- (3) as determined by the reviewing authority, if the assessed value of the real property is determined in a review or appeal and the review or appeal is pending on or after May 1, 2016.**

(d) An assessing official shall apply this section without the initiation of a review by the taxpayer. An assessing official who believes that an exception set forth in subsection (b) applies to a particular parcel shall provide to the county board and the taxpayer a written notice with a detailed explanation of why the exception applies and the assessed value that will result from its application. The county board, on its own initiative, shall review the question of whether the exception applies to the parcel and provide to the assessing official and the taxpayer a written



determination within ten (10) business days of the date of the assessing official's notice.

(e) If the county board finds or a taxpayer notifies the county board that the taxpayer believes that an assessing official:

- (1) applied an exception without making a written request; or
- (2) made a request that is not supported by the facts or that is not based on an opinion of the county assessor's office's legal counsel;

the county board shall immediately notify the department of its findings or the notice in the manner prescribed by the department. The department shall review the matter and may impose a civil penalty on the assessing official, individually, or the county assessor's office, as a public agency, or both, that are the subject of the findings. An assessing official is personally liable for a civil penalty imposed on the assessing official under this subsection. A civil penalty imposed against the county assessor's office under this section shall be paid from the budget of the county assessor's office.

(f) In a matter reviewed by the department under subsection (e), the department may impose the following civil penalties:

- (1) Not more than five hundred dollars (\$500) for the first violation by an assessing official.
- (2) Not more than one thousand dollars (\$1,000) for each additional violation by the assessing official.

A civil penalty imposed under this section is in addition to any other civil or criminal penalty imposed. However, in any one (1) matter under subsection (e), the department may impose only one (1) civil penalty against an assessing official, even if the department finds that the assessing official committed multiple violations. This subsection does not preclude the department from imposing another civil penalty against an assessing official in a separate matter under subsection (e), but an assessing official may not be assessed more than one (1) civil penalty in any one (1) matter under subsection (e).

(g) The attorney general may recover the penalty, together with the costs of the suit, in a civil action brought by the attorney general in the name of the state on relation of the attorney general. Each failure by an assessing official to pay a penalty constitutes a separate cause of action.

(h) The department shall deposit any penalties collected under this section in the department's assessment supervision fund established by IC 6-1.1-35-14.

SECTION 4. IC 6-1.1-15-0.6 IS REPEALED [EFFECTIVE MAY



1, 2016]. Sec. 0-6: (a) This section applies only to the appeal of an assessment of real property:

(b) Notwithstanding section 1(b)(2), 1(c), and 1(d) of this chapter, in order to appeal an assessment of real property and have a change in the assessment effective for the assessment date in 2002, 2003, or 2004, the taxpayer must, in the manner provided by section 1 of this chapter, as amended by P.L.1-2004, file a written request for a preliminary conference with the township assessor not later than forty-five (45) days after:

(1) a notice of a change of assessment for the assessment date is given to the taxpayer; or

(2) the taxpayer receives a tax statement for the property taxes that are based on the assessment for the assessment date;

whichever occurs first.

(c) An appeal of a taxpayer under subsection (b) must comply with all other requirements applicable to an appeal under this chapter, except that the provisions of section 1(b)(2), 1(c), and 1(d) of this chapter that prohibit appeals of:

(1) an assessment for an assessment date in 2002 that is filed after May 10, 2002, apply to property taxes imposed for that assessment date;

(2) an assessment for an assessment date in 2003 that is filed after May 10, 2003, apply to property taxes imposed for that assessment date; or

(3) an assessment for an assessment date in 2004 that is filed after May 10, 2004, apply to property taxes imposed for that assessment date.

SECTION 5. IC 6-1.1-15-1, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]:
Sec. 1. (a) *Except as provided in section 1.5 of this chapter, an owner of record (referred to as a taxpayer in this section)* may obtain a review by the county board of a county or township official's action with respect to ~~either or both~~ any of the following, or any combination of the following:

(1) The assessment of the taxpayer's tangible property.

(2) A deduction for which a review under this section is authorized by any of the following:

(A) IC 6-1.1-12-25.5.

(B) IC 6-1.1-12-28.5.

(C) IC 6-1.1-12-35.5.

(D) IC 6-1.1-12.1-5.



(E) IC 6-1.1-12.1-5.3.

(F) IC 6-1.1-12.1-5.4.

(3) A determination concerning a common area under IC 6-1.1-10-37.5.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for a review under this section, including a preliminary informal meeting under subsection ~~(h)(2)~~ **(g)(2)** with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction, ~~effective for the assessment date to which the notice referred to in subsection (b) applies;~~ the taxpayer must file a notice in writing with the county or township official referred to in subsection (a). ~~not later than forty-five (45) days after the date of the notice referred to in subsection (b). The notice must be filed before July 1 of the year of the:~~

(1) final assessment; or

(2) deduction;

for which the review is sought.

~~(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. The notice to obtain a review must be filed not later than the later of:~~

~~(1) May 10 of the year; or~~

~~(2) forty-five (45) days after the date of the tax statement mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.~~

(e) (d) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) becomes effective for



1 **the assessment date under review and** remains in effect from the
 2 assessment date for which the change is made until the next assessment
 3 date for which the assessment is changed under this article.

4 ~~(f)~~ **(e)** The written notice filed by a taxpayer under subsection (c) ~~or~~
 5 ~~(d)~~ must include the following information:

- 6 (1) The name of the taxpayer.
- 7 (2) The address and parcel or key number of the property.
- 8 (3) The address and telephone number of the taxpayer.

9 ~~(g)~~ **(f)** The filing of a notice under subsection (c): ~~or (d)~~:

- 10 (1) initiates a review under this section; and
- 11 (2) constitutes a request by the taxpayer for a preliminary
- 12 informal meeting with the official referred to in subsection (a).

13 ~~(h)~~ **A county or township (g) An assessing** official who receives a
 14 notice for review filed by a taxpayer under subsection (c) ~~or (d)~~ shall:

- 15 (1) immediately forward the notice to the county board; and
- 16 (2) ~~attempt to hold~~ **schedule** a preliminary informal meeting with
- 17 the taxpayer **on all the parcels for which the taxpayer has filed**
- 18 **a notice for review** to resolve as many issues as possible by:

- 19 (A) discussing the specifics of the taxpayer's assessment or
- 20 deduction;
- 21 (B) reviewing the taxpayer's property record card;
- 22 (C) explaining to the taxpayer how the assessment or
- 23 deduction was determined;
- 24 (D) providing to the taxpayer information about the statutes,
- 25 rules, and guidelines that govern the determination of the
- 26 assessment or deduction;
- 27 (E) noting and considering objections of the taxpayer;
- 28 (F) considering all errors alleged by the taxpayer; and
- 29 (G) otherwise educating the taxpayer about:
- 30 (i) the taxpayer's assessment or deduction;
- 31 (ii) the assessment or deduction process; and
- 32 (iii) the assessment or deduction appeal process.

33 **If a taxpayer requests the rescheduling of the informal**
 34 **preliminary meeting, the assessing official shall reschedule the**
 35 **meeting during the assessor's normal business hours on a date**
 36 **and at a time reasonably convenient to the taxpayer.**

37 ~~(i)~~ **(h)** Not later than ten (10) days after the informal preliminary
 38 meeting, the official referred to in subsection (a) shall forward to the
 39 county auditor and the county board the results of the conference on a
 40 form prescribed by the department of local government finance that
 41 must be completed and signed by the taxpayer and the official. *The*
 42 *official referred to in subsection (a) must attest on the form that the*



official described to the taxpayer the taxpayer's right to a review of the issues by the county board under this chapter and the taxpayer's right to appeal to the Indiana board of tax review and to the Indiana tax court. The form must indicate the following:

(1) ~~Notwithstanding section 2.5 of this chapter,~~ If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

~~(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:~~

~~(A) those issues; and~~

~~(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.~~

~~(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:~~

~~(A) a statement of those issues; and~~

~~(B) the identification of:~~

~~(i) the issues on which the taxpayer and the official agree; and~~

~~(ii) the issues on which the taxpayer and the official disagree.~~

A taxpayer that files a waiver or stipulation under section 2.5 of this chapter may enter into an agreement under this subsection and not be subject to the requirements of section 2.5 of this chapter.

~~(j)~~ (i) If the county board receives a form referred to in subsection ~~(i)~~ ~~(h)~~ **(1)** before the hearing scheduled under subsection ~~(k)~~ **(j)**:

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount



referred to in subsection ~~(i)(1)(B)~~; **(h)(1)(B)**; and
 (3) if the matter in issue is the assessment of tangible property,
 the county board may reserve the right to change the assessment
 under IC 6-1.1-13.

~~(k)~~ **(j)** If:

- (1) subsection ~~(i)(2)~~ **(h)(2)** applies; or
- (2) the county board does not receive a form referred to in
 subsection ~~(i)~~ **(h)** not later than one hundred twenty (120) days
 after the date of the notice for review filed by the taxpayer under
 subsection (c); ~~or (d)~~;

the county board shall hold a hearing on a review under this subsection
 not later than one hundred eighty (180) days after the date of that
 notice. **All the parcels for which a review is sought by the taxpayer
 must be covered at the same hearing unless the taxpayer waives the
 right for all parcels to be covered at that hearing.** The county board
 shall, by mail, give at least thirty (30) days notice of the date, time, and
 place fixed for the hearing to the taxpayer, *the taxpayer's*
representative (if any), and the county or township official with whom
 the taxpayer filed the notice for review. The taxpayer and the county or
 township official with whom the taxpayer filed the notice for review
 are parties to the proceeding before the county board. **Each party must
 submit at least ten (10) days before the hearing date all the
 evidence that the party wants the county board to consider. The
 county board may not consider any evidence submitted after this
 deadline. This requirement and prohibition may be modified or
 waived by written agreement among all the parties.** A taxpayer may
 request a continuance of the hearing by filing, at least twenty (20) days
 before the hearing date, a request for continuance with the board and
 the county or township official with evidence supporting a just cause
 for the continuance. The board shall, not later than ten (10) days after
 the date the request for a continuance is filed, either find that the
 taxpayer has demonstrated a just cause for a continuance and grant the
 taxpayer the continuance, or deny the continuance. A taxpayer may
 request that the board take action without the taxpayer being present
 and that the board make a decision based on the evidence ~~already~~
 submitted to the board by filing, at least eight (8) days before the
 hearing date, a request with the board and the county or township
 official. A taxpayer may withdraw a petition by filing, at least eight (8)
 days before the hearing date, a notice of withdrawal with the board and
 the county or township official.

~~(k)~~ **(j)** At the hearing required under subsection ~~(k)~~ **(j)**:

- (1) the taxpayer may present the taxpayer's reasons for



1 disagreement with the assessment or deduction; and

2 (2) the county or township official with whom the taxpayer filed
3 the notice for review must present:

4 (A) the basis for the assessment or deduction decision; and

5 (B) the reasons the taxpayer's contentions should be denied.

6 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
7 if the taxpayer or representative fails to appear at the hearing and,
8 under subsection ~~(k)~~; **(j)**, the taxpayer's request for continuance is
9 denied, or the taxpayer's request for continuance, request for the board
10 to take action without the taxpayer being present, or withdrawal is not
11 timely filed. A taxpayer may appeal the assessment of the penalty to the
12 Indiana board or directly to the tax court. The penalty may not be added
13 as an amount owed on the property tax statement under IC 6-1.1-22 or
14 IC 6-1.1-22.5.

15 ~~(m)~~ **(l)** The official referred to in subsection (a) may not require the
16 taxpayer to provide documentary evidence at the preliminary informal
17 meeting under subsection ~~(h)~~. ~~The county board may not require a~~
18 ~~taxpayer to file documentary evidence or summaries of statements of~~
19 ~~testimonial evidence before the hearing required under subsection (k).~~
20 **(g).** If the action for which a taxpayer seeks review under this section
21 is the assessment of tangible property, the taxpayer is not required to
22 have an appraisal of the property in order to do the following:

23 (1) Initiate the review.

24 (2) Prosecute the review.

25 ~~(n)~~ **(m)** The county board shall prepare a written decision resolving
26 all of the issues under review. *The written decision may be in the form*
27 *of a stipulated determination under section 2.5 of this chapter.* The
28 county board shall, by mail, give notice of its determination not later
29 than:

30 (1) ~~one hundred twenty (120)~~ **three (3)** days after the hearing
31 under subsection ~~(k)~~ **(j)** **unless a delay in making a decision is**
32 **granted under subsection (o); or**

33 (2) ~~thirty (30)~~ **three (3)** days after an entry of a stipulated
34 determination under section 2.5 of this chapter;

35 to the taxpayer, the official referred to in subsection (a), the county
36 assessor, and the county auditor.

37 ~~(o)~~ **(n)** If the maximum time elapses:

38 (1) under subsection ~~(k)~~ **(j)** for the county board to hold a hearing;
39 or

40 (2) under subsection ~~(n)~~ **(m)** for the county board to give notice
41 of its determination;

42 the taxpayer may initiate a proceeding for review before the Indiana



board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

(o) **The county board may request a delay to make a decision after the deadline set forth in subsection (m)(1). The request must be filed with the department within two (2) business days after the hearing. The request must state the specific reasons why the delay in making a decision is needed and propose a specific date by which the decision will be made. The proposed date may not be later than fifty (50) days after the hearing. At the same time the request is made, notice that the request for a delay is being filed must be sent to all the parties. The department shall grant or deny the delay within three (3) business days of receiving the request. The department may specify a delayed deadline that is before the date proposed by the county board. Notice of the department's decision shall be provided to the parties and the county board.**

SECTION 6. IC 6-1.1-15-2.5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: Sec. 2.5. (a) This section applies to a notice of review filed by a taxpayer under section 1 of this chapter with respect to the assessment of the taxpayer's tangible property.

(b) ~~Instead of a hearing before the county board, a taxpayer and a township or county official may enter into an agreement in which both parties:~~ **file with the assessing official:**

- (1) ~~agree to waive;~~ **a waiver** of a determination by the county board and submit the dispute directly to the Indiana board; or
- (2) ~~stipulate a stipulation~~ to the assessed value of the tangible property in dispute as determined by an independent appraisal under terms and conditions in subsection (e).

A taxpayer and ~~a township or county~~ **an assessing** official may still enter into an agreement under section ~~1(i)~~ **1(h)** of this chapter and not be subject to the requirements of this section.

(c) ~~An agreement under this section~~ **A taxpayer may not be entered into waive a determination or stipulate to an assessed value under subsection (b)** more than one hundred twenty (120) days after the date of the notice under subsection (a).

(d) ~~The township or county assessing official shall immediately forward an agreement entered into a waiver or stipulation filed under this section to the county board.~~

(e) ~~An agreement entered into~~ **A stipulation** by a taxpayer ~~and a township or county official~~ under subsection ~~(b)~~ **(b)(2)** must include the following provisions:



(1) The county board shall select three (3) Indiana registered appraisers as potential appraisers to conduct an independent appraisal. ~~under the agreement.~~

(2) Not later than fifteen (15) days after the county board's selection of potential appraisers, the:

(A) taxpayer; and

(B) ~~township or county~~ **assessing** official;

may each strike one (1) appraiser from the list of potential appraisers by providing written notice to the county board of the name of the appraiser to strike from the list.

(3) Not later than sixty (60) days after the date of the agreement, an appraisal shall be conducted by the Indiana registered appraiser who is:

(A) not struck from the list of potential appraisers, if two (2) potential appraisers are struck from the list under subdivision (2); or

(B) selected by the county board from the list of potential appraisers, if fewer than two (2) potential appraisers are struck from the list under subdivision (2).

(4) The appraisal conducted under subdivision (3) shall be:

(A) prepared in accordance with usual and customary professional standards for an Indiana registered appraiser;

(B) notarized; and

(C) filed with the county board not later than three (3) days after its completion.

(5) The taxpayer ~~and the township or county official stipulate for purposes of review by the county board stipulates~~ that the correct assessed value of the tangible property in dispute is the appraised value of the tangible property as determined by the appraisal conducted under subdivision (3).

(6) The taxpayer and the ~~township or county~~ **assessing** official ~~retain~~ **waive** the right to initiate a proceeding for review of a stipulated determination ~~entered by the county board under subsection (g)~~ before the Indiana board under section 3 of this chapter.

(7) The taxpayer and the office of the assessing official shall each pay fifty percent (50%) of the cost of the appraisal.

~~(7)~~ **(8)** Any other provision the department of local government finance considers appropriate.

(f) The department of local government finance shall prescribe a standard form ~~agreement~~ that must be used for purposes of this section. The department shall require the form ~~agreement~~ to be notarized.



(g) Upon receipt of an independent appraisal conducted under this section, the county board shall enter a stipulated determination of assessed value

~~(1) based on the agreement of the parties under this section; and~~
~~(2) equal to the appraised value of the property as determined by the independent appraisal. The assessed value is binding on the taxpayer, the assessing official, and the county board for the assessment dates under review.~~

~~(h) A taxpayer or a township or county official may initiate a proceeding for review of a stipulated determination entered by a county board under this section before the Indiana board as required by section 3 of this chapter.~~

SECTION 7. IC 6-1.1-15-3, AS AMENDED BY P.L.1-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: Sec. 3. (a) **Except as provided in section 2.5 of this chapter**, a taxpayer may obtain a review by the Indiana board of a county board's action with respect to the following:

(1) The assessment of that taxpayer's tangible property if the county board's action requires the giving of notice to the taxpayer.
 (2) The exemption of that taxpayer's tangible property if the taxpayer receives a notice of an exemption determination by the county board under IC 6-1.1-11-7.

(b) The county assessor is the party to the review under this section to defend the determination of the county board. At the time the notice of that determination is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the taxpayer's opportunity for review under this section; and
 (2) the procedures the taxpayer must follow in order to obtain review under this section.

(c) A county assessor who dissents from the determination of an assessment or an exemption by the county board may obtain a review of the assessment or the exemption by the Indiana board.

(d) In order to obtain a review by the Indiana board under this section, the party must, not later than forty-five (45) days after the date of the notice given to the party or parties of the determination of the county board:

(1) file a petition for review with the Indiana board; and
 (2) mail a copy of the petition to the other party.

(e) The Indiana board shall prescribe the form of the petition for review of an assessment determination or an exemption by the county board. The Indiana board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and



1 understandable to the average individual. A petition for review of such
 2 a determination must be made on the form prescribed by the Indiana
 3 board. The form must require the petitioner to specify the reasons why
 4 the petitioner believes that the assessment determination or the
 5 exemption determination by the county board is erroneous.

6 (f) If the action for which a taxpayer seeks review under this section
 7 is the assessment of tangible property, the taxpayer is not required to
 8 have an appraisal of the property in order to do the following:

9 (1) Initiate the review.

10 (2) Prosecute the review.

11 SECTION 8. IC 6-1.1-15-10, AS AMENDED BY P.L.137-2012,
 12 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 MAY 1, 2016]: Sec. 10. (a) If a petition for review to any board or a
 14 proceeding for judicial review in the tax court regarding an assessment
 15 or increase in assessment is pending, the taxes resulting from the
 16 assessment or increase in assessment are, notwithstanding the
 17 provisions of IC 6-1.1-22-9, not due until after the petition for review,
 18 or the proceeding for judicial review, is finally adjudicated and the
 19 assessment or increase in assessment is finally determined. However,
 20 even though a petition for review or a proceeding for judicial review is
 21 pending, the taxpayer shall pay taxes on the tangible property when the
 22 property tax installments come due, unless the collection of the taxes
 23 is enjoined under IC 33-26-6-2 pending a final determination in the
 24 proceeding for judicial review. The amount of taxes which the taxpayer
 25 is required to pay, pending the final determination of the assessment or
 26 increase in assessment, shall be based on:

27 (1) the assessed value reported by the taxpayer on the taxpayer's
 28 personal property return if a personal property assessment, or an
 29 increase in such an assessment, is involved; or

30 (2) an amount based on the immediately preceding year's
 31 assessment of real property if an assessment, or increase in
 32 assessment, of real property is involved.

33 (b) If the petition for review or the proceeding for judicial review is
 34 not finally determined by the last installment date for the taxes, the
 35 taxpayer, upon showing of cause **to the department** by a taxing
 36 official or at the tax court's discretion, may be required to post a bond
 37 or provide other security in an amount not to exceed the taxes resulting
 38 from the contested assessment or increase in assessment.

39 (c) Each county auditor shall keep separate on the tax duplicate a
 40 record of that portion of the assessed value of property that is described
 41 in IC 6-1.1-17-0.5(b). When establishing rates, ~~and calculating state~~
 42 ~~school support~~, the department of local government finance shall



1 exclude from assessed value in the county the net assessed value of
 2 property kept separate on the tax duplicate by the county auditor under
 3 IC 6-1.1-17-0.5.

4 SECTION 9. IC 6-1.1-15-17.2, AS AMENDED BY P.L.97-2014,
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 MAY 1, 2016]: Sec. 17.2. (a) Except as provided in subsection (d), this
 7 section applies to any review or appeal of an assessment under this
 8 chapter if the assessment that is the subject of the review or appeal is
 9 an increase of more than ~~five percent (5%)~~ **that permitted by**
 10 **IC 6-1.1-4-4.8** over the assessment for the same property for the prior
 11 tax year. In calculating the change in the assessment for purposes of
 12 this section, the assessment to be used for the prior tax year is the
 13 original assessment for that prior tax year or, if applicable, the
 14 assessment for that prior tax year:

- 15 (1) as last corrected by an assessing official;
- 16 (2) as stipulated or settled by the taxpayer and the assessing
 17 official; or
- 18 (3) as determined by the reviewing authority.

19 (b) Under this section, the county assessor or township assessor
 20 making the assessment has the burden of proving that the assessment
 21 is correct in any review or appeal under this chapter and in any appeals
 22 taken to the Indiana board of tax review or to the Indiana tax court. If
 23 a county assessor or township assessor fails to meet the burden of proof
 24 under this section, the taxpayer may introduce evidence to prove the
 25 correct assessment. If neither the assessing official nor the taxpayer
 26 meets the burden of proof under this section, the assessment reverts to
 27 the assessment for the prior tax year, which is the original assessment
 28 for that prior tax year or, if applicable, the assessment for that prior tax
 29 year:

- 30 (1) as last corrected by an assessing official;
- 31 (2) as stipulated or settled by the taxpayer and the assessing
 32 official; or
- 33 (3) as determined by the reviewing authority.

34 (c) This section does not apply to an assessment if the assessment
 35 that is the subject of the review or appeal is based on:

- 36 (1) structural improvements;
- 37 (2) zoning; or
- 38 (3) uses;

39 that were not considered in the assessment for the prior tax year.

40 (d) This subsection applies to real property for which the gross
 41 assessed value of the real property was reduced by the assessing
 42 official or reviewing authority in an appeal conducted under



~~IC 6-1.1-15. However, this subsection does not apply for an assessment date if the real property was valued using the income capitalization approach in the appeal. If the this chapter. IC 6-1.1-4-4.8 applies to the determination of the~~ gross assessed value of real property for an assessment date that follows the latest assessment date that was the subject of an appeal described in this subsection. ~~is increased above the gross assessed value of the real property for the latest assessment date covered by the appeal, regardless of the amount of the increase, the county assessor or township assessor (if any) making the assessment has the burden of proving that the assessment is correct.~~

~~(e) This section, as amended in the 2014 regular session of the Indiana general assembly, applies:~~

~~(1) to all appeals or reviews pending on the effective date of the amendments made to this section in the 2014 regular session of the Indiana general assembly; and~~

~~(2) to all appeals or reviews filed thereafter.~~

SECTION 10. IC 6-1.1-28-12, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: Sec. 12. (a) This section applies beginning January 1, 2016.

(b) Each county property tax assessment board of appeals (referred to as the "county PTABOA" in this section) shall submit annually a report of the notices for review filed with the county PTABOA under IC 6-1.1-15-1(c) ~~and IC 6-1.1-15-1(d)~~ in the preceding year to the department of local government finance, the Indiana board of tax review, and the legislative services agency before April 1 of each year. A report submitted to the legislative services agency must be in an electronic format under IC 5-14-6.

(c) The report required by subsection (b) must include the following information:

(1) The total number of notices for review filed with the county PTABOA.

(2) The notices for review, either filed or pending during the year, that were resolved during the year by a preliminary informal meeting under ~~IC 6-1.1-15-1(h)(2)~~ **IC 6-1.1-15-1(g)(2)** and ~~IC 6-1.1-15-1(j)~~ **IC 6-1.1-15-1(i).**

(3) The notices for review, either filed or pending during the year, in which a hearing was conducted during the year by the county PTABOA under ~~IC 6-1.1-15-1(k)~~ **IC 6-1.1-15-1(j).**

(4) The number of written decisions issued during the year by the county PTABOA under ~~IC 6-1.1-15-1(o)~~ **IC 6-1.1-15-1(m).**



(5) The number of notices for review pending with the county PTABOA on December 31 of the reporting year.

(6) The number of reviews resolved through a preliminary informal meeting under ~~IC 6-1.1-15-1(h)(2)~~ **IC 6-1.1-15-1(g)(2)** and ~~IC 6-1.1-15-1(j)~~ **IC 6-1.1-15-1(i)** that were:

- (A) resolved in favor of the taxpayer;
- (B) resolved in favor of the assessor; or
- (C) resolved in some other manner.

(7) The number of reviews resolved through a written decision issued during the year by the county PTABOA under ~~IC 6-1.1-15-1(e)~~ **IC 6-1.1-15-1(m)** that were:

- (A) resolved in favor of the taxpayer;
- (B) resolved in favor of the assessor; or
- (C) resolved in some other manner.

The report may not include any confidential information.

SECTION 11. IC 6-1.1-31-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: **Sec. 14. (a) The definitions in IC 30-5-2 apply to this section.**

(b) For purposes of this article, an attorney in fact acting under a power of attorney executed by a taxpayer under IC 30-5 is not considered a representative of the taxpayer.

(c) IC 30-5:

- (1) applies to any action taken under this article by an attorney in fact; and**
- (2) governs the reliance of an assessing official, the department, or the Indiana board upon any action of the attorney in fact.**

(d) The department may not restrict the ability of an attorney in fact to exercise a power granted to the attorney in fact by a power of attorney executed under IC 30-5.

(e) A rule of the department that conflicts with this section is void. The publisher of the Indiana Administrative Code and Indiana Register shall remove the rule from the Indiana Administrative Code.

SECTION 12. IC 6-1.1-35-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: **Sec. 14. (a) The assessment supervision fund is established within the state treasury to provide a source of revenue to the department for supervising assessing officials.**

(b) The fund consists of the following:



(1) Penalty revenue deposited in the fund under IC 6-1.1-4-4.8.

(2) Appropriations from the general assembly.

(3) Grants.

(4) Donations.

(c) The treasurer of state shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Administrative expenses of the department to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) The money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 13. IC 6-1.1-37-2, AS AMENDED BY P.L.146-2008, SECTION 291, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. An assessing official or a representative of the department of local government finance who:

(1) knowingly, **intentionally, or recklessly** assesses any property at more or less than what the official or representative believes is the proper assessed value of the property;

(2) knowingly, **intentionally, or recklessly** fails to perform any of the duties imposed on the official or representative under the general assessment provisions of this article; or

(3) **knowingly, intentionally, or** recklessly violates any of the other general assessment provisions of this article;

commits a Class A misdemeanor.

SECTION 14. IC 6-1.1-37-11, AS AMENDED BY P.L.288-2013, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2016]: Sec. 11. (a) If a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the taxpayer shall also be paid, or credited with, interest on the excess taxes that the taxpayer paid at the rate established for excess tax payments by the commissioner of the department of state revenue under IC 6-8.1-10-1. However, in the case of an assessment that is decreased by the Indiana board or the Indiana tax court, the taxpayer is not entitled to the greater of five hundred dollars (\$500) or twenty percent (20%) of the interest to which the taxpayer would otherwise be entitled on the excess taxes unless the taxpayer affirms, under penalty of perjury, that substantive evidence supporting the taxpayer's position had been:



(1) presented by the taxpayer to the assessor before; or
 (2) introduced by the taxpayer at;
 the hearing held by the county property tax assessment board of
 appeals. An appraisal may not be required by the county property tax
 assessment board of appeals or the assessor in a proceeding before the
 county property tax assessment board of appeals or in a preliminary
 informal meeting under ~~IC 6-1.1-15-1(h)(2)~~ **IC 6-1.1-15-1(g)(2)**.

(b) For purposes of this section and except as provided in subsection
 (c), the interest shall be computed:

- (1) from the date on which the taxes were paid or due, whichever
 is later, to the date of the refund or credit; and
- (2) using the rate in effect under IC 6-8.1-10-1 for each particular
 year covered by the refund or credit.

If a taxpayer is sent a provisional tax statement and is later sent a final
 or reconciling tax statement, interest shall be computed after the date
 on which the taxes were paid or first due under the provisional tax
 statement, whichever is later, through the date of the refund or credit.

(c) This subsection applies if a taxpayer who is entitled to a refund
 or credit does not make a written request for the refund or credit to the
 county auditor within forty-five (45) days after the final determination
 of the county property tax assessment board of appeals, the state board
 of tax commissioners, the department of local government finance, the
 Indiana board, or the tax court that entitles the taxpayer to the refund
 or credit. In the case of a taxpayer described in this subsection, the
 interest shall be computed from the date on which the taxes were paid
 or due to the date that is forty-five (45) days after the final
 determination of the county property tax assessment board of appeals,
 the state board of tax commissioners, the department of local
 government finance, the Indiana board of tax review, or the Indiana tax
 court. In any event, a property tax refund or credit must be issued not
 later than ninety (90) days after the request is received.

SECTION 15. IC 35-52-6-3, AS ADDED BY P.L.169-2014,
 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 MAY 1, 2016]: Sec. 3. IC 6-1.1-37-2 defines a crime concerning
assessing officials or representatives of the department of local
 government finance.

SECTION 16. **An emergency is declared for this act.**

